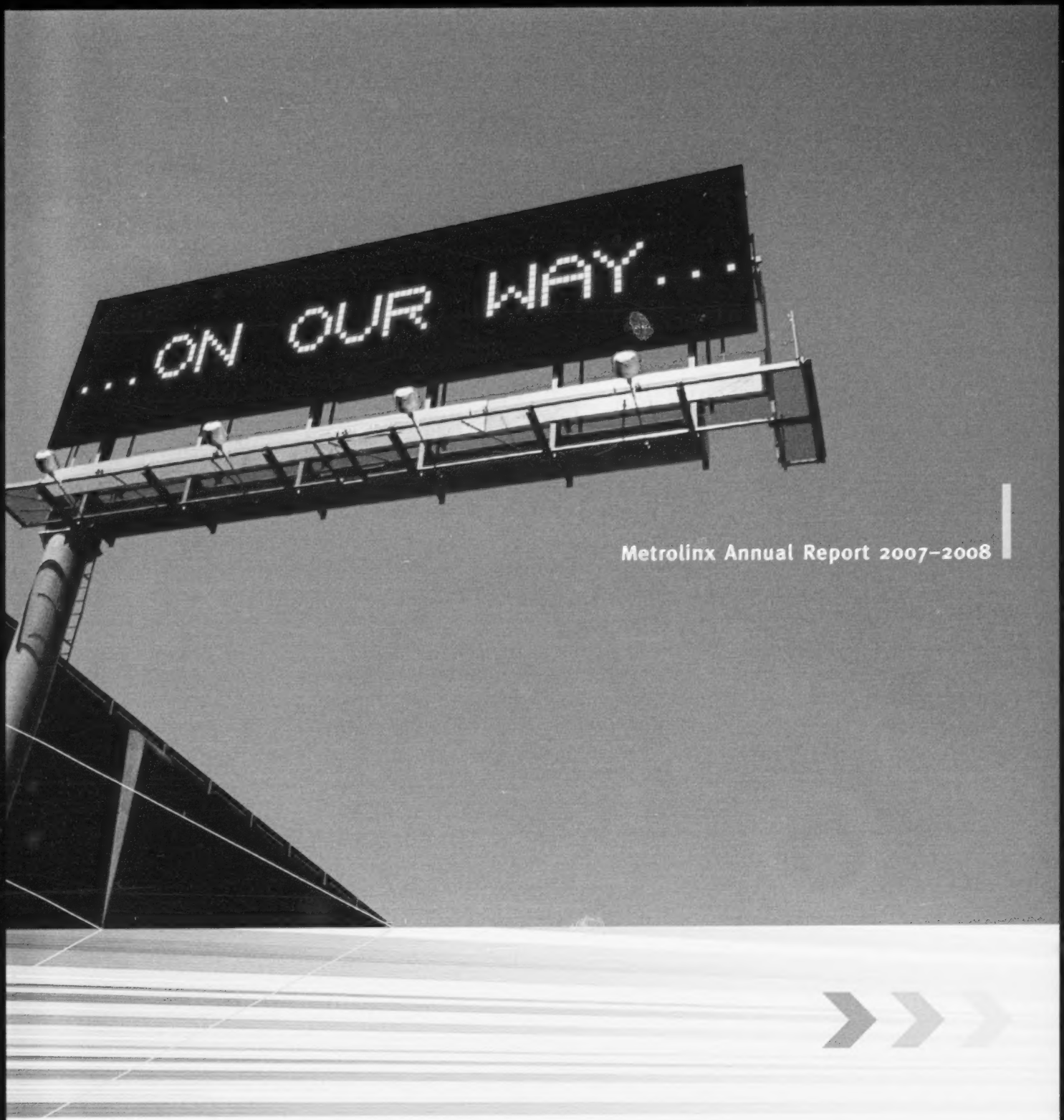


Metrolinx Annual Report 2007–2008

METROLINX

LINKING PEOPLE TO PLACES • ON Y VA

An agency of the Government of Ontario

About Metrolinx

Metrolinx was created by the Government of Ontario to develop and implement a transportation plan for the metropolitan region encompassing the cities of Toronto and Hamilton, and the regional municipalities of Durham, Halton, Peel and York.

Metrolinx operates within the legislative framework of the *Greater Toronto Transportation Authority Act, 2006* and the province's *Places to Grow – A Growth Plan for the Greater Golden Horseshoe.*

The mandate of Metrolinx is to:

- provide leadership in the coordination, planning, financing and development of an integrated, multi-modal transportation network that conforms with transportation policies of growth plans prepared and approved under the *Places to Grow Act, 2005*, and complies with other transportation policies and plans;
- act as the central procurement agency for procurement of local transit system vehicles, equipment, technologies and facilities and related supplies and services on behalf of Ontario municipalities;
- be responsible for the operation of the GO Transit system and the provision of other transit services; and
- develop an integrated fare card.

Table of Contents 01 | Letter from Minister of Transportation 03 | Letter from Metrolinx Chair 04 | Letter from Metrolinx Chief Executive Officer 05 | Update on Metrolinx Strategic Plan 06 | On Our Way: Report on Our Progress 08 // Regional Transportation Plan 09 // Stakeholder Consultation 12 // MoveOntario 2020 14 // Quick Wins 14 // Detailed Evaluation of Transformational Projects 15 // Metrolinx Organizational Development 16 | Financial Statements 28 | Governance, Board of Directors, Senior Management and Contact Information 27 |

Metrolinx Mission:

To champion, develop and implement an integrated transportation system for the Greater Toronto and Hamilton Area that enhances prosperity, sustainability and quality of life.

Letter from Minister of Transportation

As Minister of Transportation, I am pleased to commend and congratulate Metrolinx, and its Board of Directors on the agency's accomplishments in its first year of operation.

Sustainable transportation is important to the McGuinty government and the success of Metrolinx is a critical part of our approach. The contribution of our Metrolinx partners in developing an integrated Regional Transportation Plan and Investment Strategy is important to our ability to make Ontario a transit-friendly province.

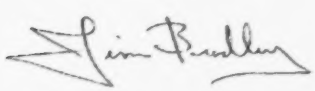
The Greater Toronto and Hamilton Area needs a seamless and convenient transportation network that integrates our city and regional transit systems across municipal boundaries.

In its first year of operation, Chair MacIsaac and the Metrolinx Board of Directors have made great strides towards achieving this challenging goal. At the same time, $744 million – nearly $1 billion – in funding has been committed from the province for initial improvements to our transit systems. The ministry is also looking to Metrolinx for the *MoveOntario 2020* initiative.

Our government has committed $11.5 billion to support *MoveOntario 2020*, the largest transit investment of its kind in Canadian history. As the integrated transportation plan takes shape, we will respect municipal plans and the *Growth Plan for the Greater Golden Horseshoe*. Inter-jurisdictional cooperation, which is personified by the Metrolinx Board, is essential to achieving the coordinated regional transportation system the people of the Greater Toronto and Hamilton Area need.

We look forward to Metrolinx's pursuit of greener and more sustainable transportation ideals for Ontario. Your efforts in this region are central to its economic prosperity, the quality of life of our citizens, and the health of our environment.

Sincerely,



The Honourable Jim Bradley
Minister of Transportation

To the Minister of Transportation

Every journey begins with a single step. Over the past year, Metrolinx has taken many steps since the appointment of our Board of Directors in March 2007. We are an organization on the move, with a clear mandate and a strong sense of purpose. We are building momentum.

There is no question that the challenges we face are considerable. The Greater Toronto and Hamilton Area (GTHA) is a rapidly growing region, adding 100,000 people and 50,000 cars each year to our population. Driving from Hamilton to Toronto will take three hours in 2021, twice the time it took in 2000. Our region's worsening congestion and gridlock means longer trips and increased stress for people; impacts our economy through lost productivity and lost time; and of course, creates environmental and health costs associated with heavy traffic and related pollution.

Metrolinx was created to address these problems. Our job is to improve how we move around our region, making it more convenient, more efficient, and more affordable for people and for business. Put simply, we want to link people and places. Reflecting this focus, we rebranded ourselves as Metrolinx in December 2007.

We made good progress in our first year. Most importantly, we advanced the development of an integrated Regional Transportation Plan (RTP), which will be a transportation blueprint for our region. It will identify short-, medium- and long-term actions for the next 25 years and will serve as a guiding document for infrastructure and capital investment decisions. It will guide the way to a more competitive, more livable, more sustainable region.

We made good progress in our first year. Most importantly, we advanced the development of an integrated Regional Transportation Plan. It will guide the way to a more competitive, more livable, more sustainable region.

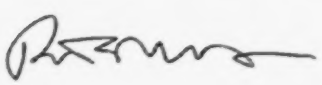
Rob MacIsaac, Chair

The development of this plan kicked off in 2007 with the creation of seven "Green Papers", leading to two "White Papers", which will evolve into a Draft RTP later this year, followed by the final RTP. There will be two documents supporting the draft and final RTP: the Investment Strategy and five-year capital plan.

While the RTP is the foundation for our future transportation system, the development of our Corporate Strategic Plan in 2007 is a framework that will guide the work of Metrolinx over the next several years. It is both a governance and management tool, clearly outlining the organization's goals and allowing us to measure and report our performance. A summary is provided on page 6 of this report.

In addition to the development of these planning documents, we made progress in 2007–2008 in delivering immediate transportation improvements for people in the GTHA. With both municipal consensus and Ontario government support, we have been promised $744 million for a series of quick win initiatives (listed on page 14) that are already making a difference. It is important to place all this activity into the context of a new organization. We've established an effective senior management team and employee structure, and the Metrolinx staff has developed into a lean, efficient and committed team. I congratulate them on their efforts and accomplishments in our first year together. I also thank our provincial, municipal and transit agency partners and the many other stakeholders with whom we met and shared ideas for such effective collaboration in our first year. Through our continued teamwork, we will be able to deliver a better transportation system for people in our region.

Yours truly,



Rob MacIsaac
Chair

To the Deputy Minister of Transportation

Our inaugural Annual Report provides us the opportunity to demonstrate the strong foundation Metrolinx has built during its first year. More importantly, it also allows us to look forward to the coming year, as we continue to build on success.

With the creation of Metrolinx, the Province of Ontario identified transportation in the Greater Toronto and Hamilton Area as a priority issue. Metrolinx was given a broad mandate to define, develop and implement an integrated regional transportation system. In due course, our mandate will be supplemented by overall responsibility for GO Transit, the integrated fare card project (Presto) and the voluntary transit procurement co-operative for municipalities across the province. These are exciting opportunities, and significant responsibilities, requiring a timely response to an urgent priority.

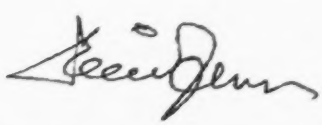
At its heart, creating a more effective transportation system is a customer-oriented activity. Everything Metrolinx does – from implementing new programs to advancing the Regional Transportation Plan – is focused on meeting the transportation needs of our metropolitan area's residents and businesses. Institutional reform or re-organizing services is only worthwhile if it delivers positive results, such as faster daily travel time, more transportation choices, a cleaner, healthier sustainable transportation system and a better performing economy.

To meet the needs of the traveling public, we must first understand their needs. Over the past year we canvassed the views and opinions of residents, business, transportation experts, providers of transportation services at all levels, and everyone who has a stake in – and who uses – our metropolitan area's transportation system. This consultation has taken several forms, from the creation of technical and expert advisory groups to the interactive, online consultation program, accessible through our website, and in creative engagement forums. We will continue to broaden the many constructive relationships that have been formed and the insights we have gained.

The extensive consultations and planning that occurred in 2007-2008 will translate into action in 2008–2009. The Regional Transportation Plan and Investment Strategy, quick wins and other targeted initiatives will accelerate, as planning and proposals are turned into more projects and better performance – all across a progressively more integrated metropolitan transportation system.

Metrolinx is a young, dynamic organization. It has developed a strong performance culture, with a fast-paced, results-oriented professional team. In 2008–2009, Metrolinx aims to deliver results that increase the public's support for this important Ontario government initiative. We are confident that the public will recognize and embrace our solid program of action and the transportation-related measures needed to improve our environment, our quality of life and our economic competitiveness.

Yours truly,



W. Michael Fenn
Chief Executive Officer

Update on Metrolinx Strategic Plan

The Metrolinx Strategic Plan was finalized on October 26, 2007, and establishes goals and strategic directions for the organization.

The plan acts as an over-arching framework, guiding Metrolinx's work plans, organizational development and resource allocation. In addition to fulfilling these governance and management functions, it also acts as a communications tool in reporting our progress to stakeholders.

The Strategic Plan will be reviewed annually and updated accordingly. Its full text is available at www.metrolinx.com

Goals

An Integrated Regional Transportation Plan by Early 2008

Strategic Directions

Identify and Implement Quick Wins Projects

Assess Transit Initiatives

Develop an Integrated, Multi-Modal Transportation Plan

2007 Progress Update

Identified and received provincial funding for projects valued at $744 million allocated to "quick win" foundation projects

Regional Transportation Plan (RTP) planning process underway

Seven Green Papers released for public consultation; draft RTP to be delivered later this year

Goals

A Funding Model for a Sustainable Transportation System by Early 2008

Strategic Directions

Develop a Funding Model

Clarify Funding Roles and Accountabilities

2007 Progress Update

Board has approved Investment Strategy Framework

Draft Investment Strategy to be delivered later this year, in tandem with the draft RTP

Goals

Assume Other Mandated Leadership Roles

Strategic Directions

Facilitate Resolution of Inter-Regional Transportation Problems

Assume Responsibility for GO Transit Operations over time

Assume Role in Coordinating Procurement

Develop an Integrated Fare Card System

Play a Leadership Role in Transportation

2007 Progress Update

Established working groups with municipal transit systems (TTC, Mississauga Transit, York Region Transit) to improve short-term fare integration and service coordination of transit services crossing the Toronto boundary

Steering committee struck to plan GO transition

The transitioning of transit procurement from the Ministry of Transportation to Metrolinx's legislated role commenced

Presto Fare Card pilot program underway; Metrolinx to eventually assume responsibility for Presto Fare Card system

Comprehensive consultation process with stakeholder groups; promotion of transportation issues through website; more than 1,000 meetings with stakeholder groups; Chair met with Mayors and councils from across GTHA; Chair delivered 45 speeches between November 2006 and March 2008

Goals

Good Governance and Organizational Excellence

Strategic Directions

Develop a Strategic, Lean Organization Structure

Develop a New Brand

Develop Board Operating Principles

2007 Progress Update

Strategic Plan delivered October 2007; organization structure approved, key management hires completed

Re-named from GTTA to Metrolinx in December 2007

Board Operating Principles completed and include corporate by-laws, conflict of interest policy and use of municipal staff policy; the establishment of terms of reference for three board standing committees: the Audit Committee, Governance Committee and Human Resource and Compensation Committee

Goals

Successful Partnerships and Stakeholder Relations

Strategic Directions

Work with the Province as a Key Partner

Collaborate with Municipal Partners

Proactive Communication with all Partners

Pursue Federal Involvement with Metrolinx

Broaden Metrolinx's Partnership Base

2007 Progress Update

Instrumental in working with Ministry of the Environment and the Ministry of Transportation to develop and design a six-month Environmental Assessment Review Process for transit projects

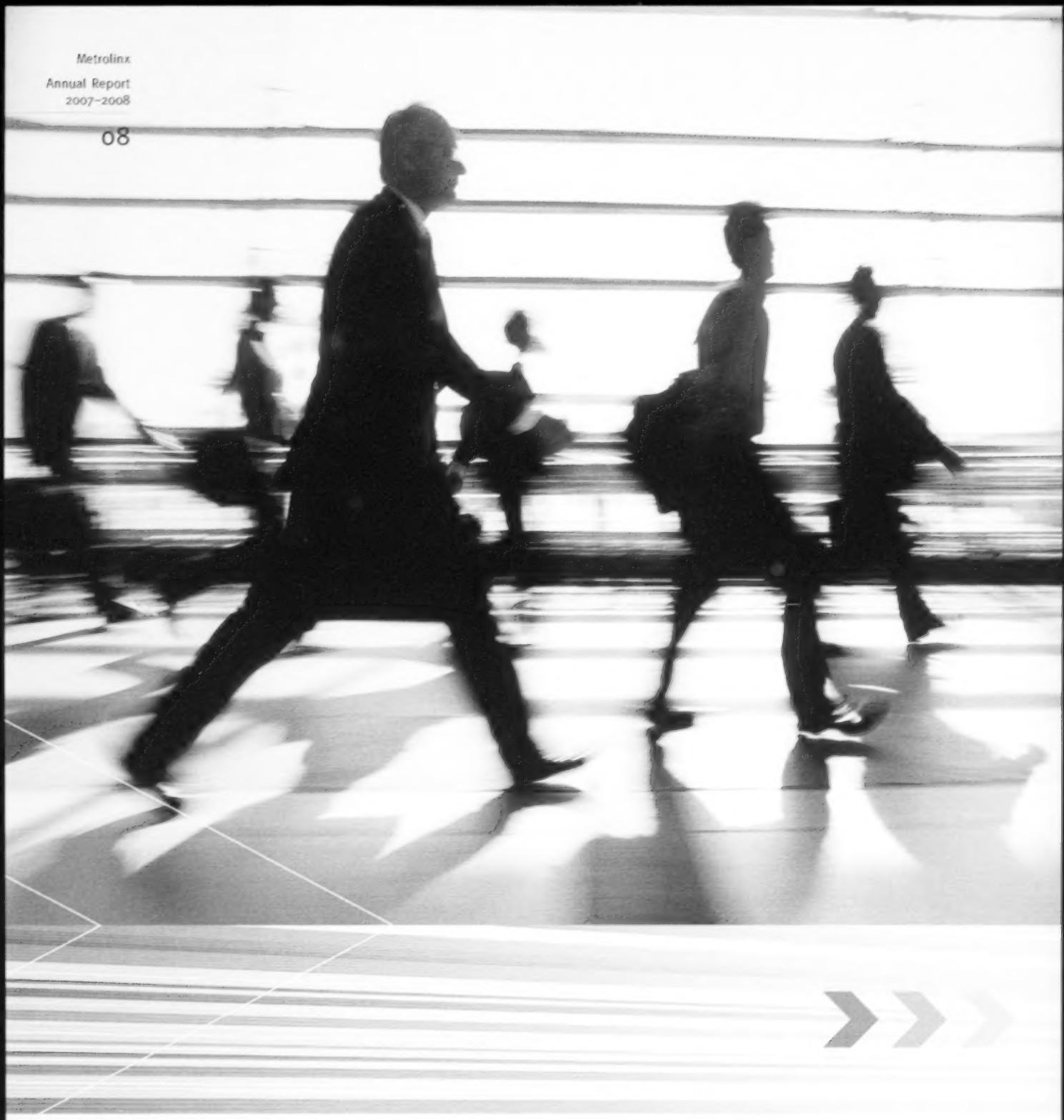
Collaborated with Ministries of Transportation, Environment and Public Infrastructure Renewal in the development of the RTP and Investment Strategy

$5 million in funding provided to GTHA municipalities for BikeLinx program; Technical Advisory Groups represented municipalities' interests in the development of the RTP Green and White Papers; Smart Commute continued to develop local Transportation Management Associations

Extensive outreach program undertaken by Chair and Metrolinx staff with all levels of government, business and stakeholder groups on various strategies and initiatives. Chair held numerous meetings with municipal leaders. Ongoing collaboration with partners on variety of Metrolinx programs

Chair met with stakeholders in the federal government to ensure knowledge of Metrolinx's mandate; federal government has committed to work with Metrolinx on key initiatives in the area of transportation mobility hubs; engaged departments and agencies on streamlining the federal environmental assessment process for transit projects and, at the board's direction, developing options to harmonize provincial and federal environmental assessments; Smart Commute transferred to Metrolinx

Working with active transportation groups; BikeTrain initiative; Pollution Probe; Clean Air Partnership. Research initiatives with University of Toronto and McMaster University



On Our Way: Report on Our Progress

Regional Transportation Plan

In its inaugural year of operation, Metrolinx initiated a number of short- and long-term initiatives in pursuit of the goals and strategies detailed in the organizational Strategic Plan, which was finalized in October 2007. The most significant of these is the development of the Regional Transportation Plan (RTP).

Seven comprehensive "Green Papers" were released in 2007 and early 2008 and serve as the building blocks of the RTP. Each Green Paper covers specific aspects of the plan. The Green Papers were posted on the Metrolinx website, providing the opportunity for public and stakeholder consultation and input through interactive, online consultation. To round things out, Technical Advisory Groups, an Advisory Committee and a Multi-Disciplinary Expert Review Panel were created to provide additional insight and consultation during the development of the Green Papers, White Papers and RTP.

Stakeholder consultation and collaboration will continue as the RTP is developed. In 2008, a series of stakeholder consultations and public meetings is planned. This includes consultations under the brand "Metronauts", an unconventional form of public participation (see Metronauts sidebar, page 13).

Building on the provincial Greenbelt Plan and the Greater Golden Horseshoe Growth Plan, the final RTP will include recommendations and initiatives aimed at creating a more robust transportation network which reduces demands on our current regional transportation system, ensures better land use and transportation integration, provides more options, greater reliability and convenience to travelers, and improves the movement of goods. It will be accompanied by an Investment Strategy, proposing how the plan will be funded.

THE GREEN PAPERS

1. **Towards Sustainable Transportation:** There are many forces impacting the GTHA's transportation system, including the region's population growth, transportation infrastructure investment history, the capacity of the transit systems, the relationships between different modes of travel, and more. This paper provides an overview of the challenges and opportunities facing the region's transportation system.

2. **Mobility Hubs:** Mobility hubs are central locations bringing together different aspects of transportation – trains, buses, transit, bike storage, parking – and are complemented by retail stores and services, and can be located near residential areas, hospitals, universities and more. This paper explores the role mobility hubs play as a feature of a modern, efficient and sustainable transportation system.

3. **Active Transportation:** The affordability and benefits of walking, cycling, and other self-propelled methods are not only healthy and cost-efficient, they also reduce demand on roads, buses and trains. This paper discusses the importance of active transportation and proposes options that will improve safety, convenience and create health benefits.

4. **Transportation Demand Management:** Transportation Demand Management is about working better with what we have. This paper explores how we can better manage the demand on our transportation systems, through measures such as road value pricing, carpooling, an online trip planner and ready access to real-time travel information.

5. **Moving Goods and Delivering Services:** Our region relies on the efficient movement of goods and services, both to improve the strength of business and to provide both jobs and products to people. This paper explores the complex logistics of moving goods and discusses options to reduce noise, traffic and emissions.

6. **Roads and Highways:** Driving in the GTHA has become more frustrating due to increasing congestion and delays. However, roads remain a mobility lifeline for many, especially those in the rural GTHA. The solutions must lie in improving how existing roads and highways work, which is the topic of this paper. Regulating traffic flow, re-designing roads, improving safety, prioritizing modes of travel and other options are discussed.

7. **Transit:** Substantial changes are needed to our regional transit services. This paper explores a broad range of possible improvements, from GO Transit and subway extensions to the development of Light Rail Transit and Bus Rapid Transit. Inter-regional connections are also discussed as a means to help create a system that is reliable, seamless and valued by the travelling public.

Members of the public and interested stakeholders can review the Green Papers at www.metrolinx.com.

INVESTMENT STRATEGY AND ROLLING CAPITAL PLAN

In tandem with the draft RTP, the draft Investment Strategy will be completed later this year, followed by extensive public and stakeholder input.

The Investment Strategy will evaluate the potential revenue sources and financial tools to deliver the RTP recommendations, maintain our region's existing transportation infrastructure, and support the operating costs of current and future transit services. These financing strategies and tools could include a stronger reliance on transportation user and beneficiary fees, such as a dedicated gas tax, vehicle registration fees based on actual distance traveled and emissions generated, development charges and other land value capture mechanisms, a dedicated regional sales tax, transit fares, and region-wide road and parking pricing strategies.

The Investment Strategy will assess these potentially transformational approaches to transportation funding and pricing against a broad range of economic, environmental and social impacts – both at the regional and individual levels.

The rolling Capital Budget, which will be coordinated with the provincial annual budget process and ReNew Ontario public infrastructure plan, will set out the prioritization, implementation ramp-up and sequencing of the capital initiatives identified in the RTP and Investment Strategy.

Our Three Pillars

Quality of Life. Environmental Sustainability. Economic Strength.

These are what a more efficient, integrated and effective transportation system can help deliver to our region.

At Metrolinx, we believe better transportation is about more than trucks, trains and automobiles. It is about meeting the diverse needs of people, communities and businesses in the GTHA through a transportation system that is focused on the customer and that seamlessly links people to places. A generation from now, the nine million residents of the GTHA will use a well-integrated transportation system that supports:

A high quality of life. The well-being of all people in the GTHA region will be our greatest motivator. Our cities, towns, suburbs and rural areas will be more liveable, with more options for getting around the whole region conveniently, comfortably and safely.

A thriving, healthy and protected environment. We will plan, establish and maintain a transportation system that conserves resources and leaves a legacy of a healthy and clean environment for our children and grandchildren.

A strong, prosperous and competitive economy. At the heart of Canada's economy, our region will be competitive with the strongest regions in the world based on an efficient and convenient transportation system. It will help attract and retain the best and the brightest, and make shipping goods and delivering services efficient.

The Process

Stakeholder Consultation

Metrolinx is focused on building the best regional transportation system possible for those who live and work in the GTHA. In development of the RTP and other initiatives in 2007–2008, Metrolinx continued to seek the input and opinions of people who use our transportation system: commuters, transit riders, business, transportation providers, parents and youth, seniors and other interested residents.

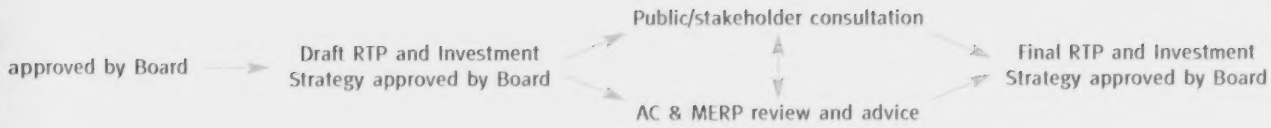
In addition to the Technical Advisory Groups (TAGs), Advisory Committee (AC), and Multi-Disciplinary Expert Review Panel (MERP) – which met a combined total of 10 times – Metrolinx has actively sought feedback from other viewpoints, including: various levels of government; transit organizations, unions and the labour sector; users; private transportation operators and businesses; cycling and pedestrian organizations; environmental organizations; health organizations; youth organizations; tourism organizations; media; social service organizations and more.

In 2007, consultation was actively promoted through the Metrolinx website, via an online consultation site. The seven Green Papers were available through this mechanism, as well as through the provincial Environmental Bill of Rights Registry. In addition, copies of the Green Papers were distributed to all municipalities in the GTHA, and Metrolinx staff met with municipalities, government ministries and various stakeholder groups to receive feedback. Notice to comment on the Green Papers was also provided to more than 1,000 stakeholder organizations. The Chair of Metrolinx met the Mayors and councils from across the GTHA and delivered 45 speeches between November 2006 and March 31, 2008.

About 500 people registered on the Metrolinx online consultation site and approximately 200 submissions were received, either in writing or online. In addition, the TAGs met five times over the last year, the AC met three times and the MERP met twice.

Comments were also received at the first Metronauts event and will continue to be considered, as will input from other sources, such as blogs and media.

In 2008, public consultation will continue and additional forms of consultation will be introduced. Public consultations and public meetings will be scheduled and will be publicized via www.metrolinx.com.


approved by Board
Draft RTP and Investment Strategy approved by Board
Public/stakeholder consultation
AC & MERP review and advice
Final RTP and Investment Strategy approved by Board

Metronauts – Powered by Transit Camp

Metronauts describes itself as "a project that aims to engage citizens to imagine the future and offer solutions for the region's transportation plan." In other words, it's an unconventional, effective, community-based form of citizen engagement.

Metrolinx is both a sponsor of, and an active participant in, the Metronauts project. Launched early in 2008, Metronauts is an "open community" that facilitates dialogue and discussion on the role transportation has in the future of our region's communities. There are two main avenues for consultation – a series of community events and through online conversations, which will also facilitate individual and group projects for those looking to get involved directly.

Metronauts aims to attract interested stakeholders, including transit riders, drivers, pedestrians, cyclists, and "anyone else concerned with how they get around the city." Metronauts community events are being held across the GTHA and began in April 2008. For more information, visit: http://metronauts.ca.

Photo courtesy of Toronto Transit Commission

BikeLinx Program

In March, Metrolinx kicked off a $5 million inter-regional program to encourage and assist travelers to integrate the use of bicycles with existing municipal and regional transit systems.

Municipalities are planning for the installation of over 2,300 new racks and numerous bike parking facilities across the region.

MoveOntario 2020

The Government of Ontario, through its *MoveOntario 2020* initiative, announced a list of 52 rapid transit improvements and expansion projects for the GTHA in June 2007. The province has committed $11.5 billion ($17.5 billion with federal participation) to finance the plan's implementation.

The projects address four distinct areas of our transit system:

1. GO Transit upgrades and extensions;
2. Major municipal transit expansions;
3. Cross-boundary subway expansions; and
4. Rapid-rail link between Toronto Union Station and Toronto Pearson International Airport.

Metrolinx holds responsibility for evaluating, prioritizing and recommending an implementation action plan and alterations to the *MoveOntario 2020* project list. This work will form the core of the Regional Transportation Plan. In announcing *MoveOntario 2020*, the Ontario government also committed to transforming environmental assessment so the process for a transit project can be completed in six months. This means not only a more efficient and effective process, but also more quickly achieving the social, environmental and economic benefits of new or extended transportation infrastructure.

Quick Wins

In 2007, the Province of Ontario committed $744 million in funding towards quick win initiatives approved by the Metrolinx Board. These quick wins are positioned as early, foundation investments to support the *MoveOntario 2020* vision and to achieve tangible customer benefits within the next two to five years. The quick wins also demonstrate the ability of Metrolinx, the province, municipalities and transit agencies in the region to work together and agree to a shared set of initial high-impact priorities.

HAMILTON

A-Line Improvements, James-Upper James Corridor with service to Hamilton International Airport and B-Line Improvements, King-Main Corridor—more frequent service, by delivering hybrid-electric buses to Hamilton's busiest transit corridor.

James Street North GO/VIA Station Gateway to Niagara—a new platform, and park-and-ride as the first step to future GO and VIA train service.

PEEL

Dundas and Hurontario Higher-Order Transit Corridor Development – new buses and improved customer amenities for more frequent and improved service.

Mississauga Transitway Hub, Airport-Renforth Gateway – providing enhanced inter-modal, inter-regional connections to Canada's busiest airport.

Bolton GO Transit Improvements – preliminary enhancements to GO bus services; will build ridership in advance of eventual Go rail service.

HALTON

Dundas Street Bus Rapid Transit—more frequent and improved service; better connections between communities and to GO stations.

YORK

New buses and customer service improvements to create the foundation for a more complete VIVA system:

VIVA Highway 7 – Pine Valley Drive to Kennedy Road

VIVA Yonge Street – Richmond Hill Centre to 19th Avenue

VIVA Yonge Street – 19th Avenue to Newmarket

Cornell Terminal

DURHAM

Highway 2 Bus Rapid Transit Spine – more frequent service, capacity and better service to inter-regional GO stations.

TORONTO

Improving transit for customers by supporting Toronto Transit Commission projects:

Transit City Light Rail Transit (LRT) Feasibility Studies and Environmental Assessments

Yonge Subway Capacity Improvements

Yonge Finch-Steeles Bus Rapid Transit

INTER-REGIONAL

Bicycle Expansion: New bicycle-carrying devices on municipal transit vehicles and bicycle-storage spaces at stations across the GO Transit network.

GO Transit Rail Fleet Expansion: 20 additional bi-level passenger coaches for the GO Lakeshore Corridor improving customer service and increasing capacity.

GO Transit Double-Decker Buses: 10 new double-decker commuter buses for the Highway 407-403 Corridor, and to York University—increased capacity and service improvements.

GO Track Expansion: New passing-track sections for the GO Bradford and GO Stouffville corridors.

Detailed Evaluation of Transformational Projects

Metrolinx is preparing to implement *MoveOntario 2020* by advancing seven large "transformational" transit projects through detailed evaluation stages. Each project, to be confirmed by the RTP planning process and complementary project benefits case analyses, has the potential to significantly improve how we move and create a more sustainable urban form across our metropolitan region. Metrolinx is working closely and collaboratively with municipalities, transit agencies and Infrastructure Ontario, municipalities and transit agencies in the development and evaluation of these projects.

Metrolinx Organizational Development

Metrolinx was proclaimed an agency in October 2006, with a mandate and responsibility that had not before existed in Ontario. Metrolinx is responsible for the development of an integrated transportation network for the GTHA; will act as the central procurement agency for local transit system vehicles, equipment, technologies and facilities for Ontario municipalities; and will assume responsibility for the operation of the GO Transit system and the Presto Fare Card project.

The Board of Metrolinx was appointed on March 23, 2007, and its first employees were hired. Over the course of 2007, while the organization began pursuing its mandate, it also worked to develop the internal capacity,

Presto Fare Card

In August 2007, the Presto Fare Card was introduced as a pilot program on four Mississauga bus routes, two stations on the GO Transit Milton line and Union Station for both GO Transit and Toronto Transit Commission (TTC). Metrolinx will eventually be responsible for the Presto Fare Card system that will allow riders to move across the GTHA with a single fare card.

The Presto Fare Card has "smart" technology built into it, with a computer chip that communicates with the card reader, through contactless technology, in transit stations or on transit vehicles. By 2010, Presto will extend to Brampton, Burlington, Durham Region, Hamilton, Mississauga, Oakville, York Region and will be used in some subway stations. The Presto card will provide transit users with easy transfer between regional transit systems, quick boarding, convenience and flexibility. It will also provide transit systems the opportunity to improve services and efficiency and to lower costs through reduced use of paper tickets, faster boarding times, simplified fare handling and record-keeping, reduced fraud and improved information on rider volume and patterns.

Smart Commute

In the fall of 2007, Metrolinx realized that its goal to improve the transportation system could be advanced by adopting Smart Commute into the Metrolinx family. And on January 1, 2008, Smart Commute became an official part of Metrolinx. The Smart Commute program, initiated by municipal governments in the GTHA with start-up funding from Transport Canada, helps local employers and commuters to explore different commuter choices – carpooling, teleworking, transit, cycling, walking or flexible work hours. The goal is to help make commuting easier, healthier and more enjoyable.

The Carpool Zone is Smart Commute's online carpool matching service. Commuters can sign up at www.carpoolzone.ca and find a carpool partner in just five easy steps. More than 12,000 commuters have used the Carpool Zone since November 2005.

Smart Commute offers a wide array of services in the GTHA, including:

- Carpooling and vanpooling: exclusive ridematching programs for employers
- Site assessments and surveys to understand employee commute behaviour
- Shuttle programs
- Emergency Ride Home programs
- Employee work arrangement solutions: telework, compressed work weeks and flex hours, workshops, lunch and learns and seminars
- Incentives and promotions
- Bike to Work Day, Carpool Week and other community-based events

More information: www.smartcommute.ca

systems and processes required. At the end of the 2007–2008 fiscal year there were 21 full-time Metrolinx employees. In addition, there were 10 employees seconded from the provincial government, bringing the total full-time-equivalents to 31 employees.

Over the course of 2007, the management team and structure were put in place, and a number of priority policies and procedures were developed. The organization now has management policies relating to key areas including human resources, financial management, and governance.

As part of the Smart Commute program (see sidebar), Metrolinx also conducted a survey of its own employees' transportation practices, to gain insight into our own habits and preferences, and to look at ways to encourage colleagues to get around more efficiently. Eighty-seven per cent of Metrolinx staff travels to work by public transit, walking or cycling. Promotion of carpooling, and other options through the Smart Commute Program, are being used to improve this statistic. Staff has also created a "Green Committee" that works to create a more environment-friendly workplace. A number of measures have been introduced, including discontinuing the use of plastic water bottles, disposable dishes and cutlery, using recycled paper for most in-house and commercial printing, double-side printing wherever possible and using eco-friendly catering services.

Financial Statements

Auditors' Report 19
Statement of Operations 20
Statement of Financial Position 21
Statement of Cash Flows 22
Notes to the Financial Statements 23

Auditors' report

To the Members of Greater Toronto Transportation Authority

We have audited the statement of financial position of Greater Toronto Transportation Authority as at March 31, 2008, and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2008, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Chartered Accountants
Licensed Public Accountants
Toronto, Ontario
May 9, 2008

Statement of Operations

Year ended March 31, 2008

Revenues	
Contributions from the Province of Ontario	$ 10,568,701
Amortization of deferred capital contributions	80,122
Interest income	72,490
	10,721,313
Expenses	
Administrative services	925,685
Amortization of capital assets	80,122
Facilities	411,263
Labour and benefits	2,479,104
Program delivery	6,825,139
	10,721,313
Excess of revenues over expenses	$ -

See accompanying notes to the financial statements

Statement of Financial Position

March 31, 2008

Assets	
Current	
Cash and cash equivalents	$ 1,917,372
Receivables	11,021
Contributions due from Province of Ontario	1,354,518
Prepaids	6,565
	3,289,476
Property and equipment (Note 5)	705,695
	$ 3,995,171
Liabilities	
Current	
Payables and accruals (Note 7)	$ 3,289,476
Deferred capital contributions (Note 8)	705,695
	$ 3,995,171

Commitments (Note 9)
Contingency (Note 10)

See accompanying notes to the financial statements

On behalf of the Board

Director

Director

Statement of Cash Flows

Year ended March 31, 2008

Increase (decrease) in cash and cash equivalents	
Operating activities	
Excess of revenues over expenses	$ –
Amortization of capital assets	80,122
Amortization of deferred capital contributions	(80,122)
	–
Change in non-cash working capital	
Receivables	(11,021)
Contributions due from Province of Ontario	(1,354,518)
Prepaids	(6,565)
Payables and accruals	3,289,476
	1,917,372
Investing activities	
Purchase of capital assets	(785,817)
Financing activities	
Deferred capital contributions	785,817
Net increase in cash and cash equivalents	1,917,372
Cash and cash equivalents, beginning of year	–
Cash and cash equivalents, end of year	$ 1,917,372

See accompanying notes to the financial statements

Notes to the Financial Statements

March 31, 2008

1. NATURE OF OPERATIONS

The Greater Toronto Transportation Authority (GTTA) is a Crown Corporation carrying on business as "Metrolinx". Sections of the *Greater Toronto Transportation Authority Act, 2006* were proclaimed on August 24, 2006, to address the significant transportation challenges in the Greater Toronto and Hamilton Area. Metrolinx was created to lead the coordination, planning, financing and development of an integrated multi-modal transportation network for the Greater Toronto and Hamilton Area. Taking a regional approach, Metrolinx will bring together the province, municipalities and local transportation authorities to produce long-term economically and environmentally sustainable transportation solutions. Metrolinx reports to the Minister of Transportation.

At the present time, the Province is the sole revenue source for Metrolinx. The Ministry of Transportation through Treasury Board authorizes an annual budget allocation for Metrolinx.

Certain of the initiatives will be funded by the Ministry of Transportation directly to the service providers and certain initiatives will be funded by the GTTA based on funding received from the Ministry of Transportation.

The GTTA commenced operations on March 26, 2007, accordingly these financial statements present the first year of operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are prepared by management in accordance with Canadian generally accepted accounting principles.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and highly liquid temporary money market instruments with original maturity dates of three months or less as cash and cash equivalents. Bank borrowings are considered to be financing activities.

Depreciation

Rates and bases of depreciation applied to write off the cost less estimated salvage value of property and equipment over their estimated useful lives on a straight-line basis are as follows:

Leasehold improvements	– 5 years
Computer equipment and software	– 5 years
Furniture and equipment	– 5–12 years

Employee future benefits

The GTTA provides pension plan benefits through the multi-employer Ontario Municipal Employees Retirement System (OMERS) Pension Fund. The expense for the year equals the required contribution for the year.

Contributions

The GTTA follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred capital contributions

Capital contributions received for the purpose of acquiring capital assets are deferred and amortized on the same basis, and over the same periods as the related capital assets.

Adoption of new accounting policies

On April 1, 2007, the GTTA adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1506 – "Accounting Changes", Section 3251 – "Equity", Section 3855 – "Financial Instruments – Recognition and Measurement" and Section 3861 – "Financial Instruments – Disclosure and Presentation". The adoption of Section 3251 has not had a material effect on the Authority's financial statement disclosures. The adoption of Section 1506 has resulted in disclosure of future accounting changes that have not yet been adopted. The adoption of Sections 3855 and 3861 is detailed in Note 3.

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3. FINANCIAL INSTRUMENTS – RECOGNITION AND MEASUREMENT

On April 1, 2007, the GTTA adopted the CICA Handbook Section 3855 "Financial Instruments – Recognition and Measurement" and Section 3861 "Financial Instruments-Disclosure and Presentation".

Financial assets must be classified as either held for trading, held to maturity ('HTM'), available-for-sale ('AFS'), or loans and receivables. Financial liabilities are classified as held for trading or other. Initially, all financial assets and financial liabilities must be recorded on the statement of financial position at fair value with subsequent measurement determined by the classification of each financial asset and liability. Transaction costs related to held for trading instruments are expensed as incurred. Transaction costs related to AFS, HTM and loans and receivables are capitalized and amortized using the effective interest method.

Financial assets and financial liabilities held for trading are measured at fair value with the changes in fair value reported in the statement of operations. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading are measured at amortized cost. AFS financial assets are measured at fair value with changes in fair value reported in the statement of changes in net assets until realized through sale or other than temporary impairment.

Derivative instruments are recorded on the statement of financial position at fair value. The GTTA does not have any derivatives.

Classification of financial instruments

Cash and cash equivalents have been classified as held for trading, receivables and contributions due from Province of Ontario have been classified as loans and receivables and payables and accruals have been classified as other financial liabilities.

Fair values

The fair values of cash and cash equivalents, receivables, contributions due from the Province of Ontario and payables and accruals are assumed to approximate their carrying amounts because of their short term to maturity.

4. FUTURE ACCOUNTING POLICES

The CICA has released the following new handbook standards which are applicable to the GTTA effective April 1, 2008:

- Section 1535, "Capital Disclosures", establishes standards for disclosing information about an entity's capital and how it is managed. It describes the disclosure of the entity's objectives, policies and processes for managing capital as well as summary quantitative data on the elements included in the management of capital. The section seeks to determine if the entity has complied with capital requirements and if not, the consequences of such non-compliance.
- Sections 3862 and 3863, "Financial Instruments – Disclosure and Presentation", establish standards for the presentation and disclosure of financial instruments and non-financial derivatives as well as the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks.

The GTTA has not yet assessed the impact of these new standards on its financial statements. Other new standards have been issued but they are not expected to have a material impact on the GTTA's financial statements.

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated Depreciation	Net Book Value
Leasehold improvements	$ 183,296	$ 35,748	$ 147,548
Computer equipment and software	460,228	30,537	429,691
Furniture and equipment	142,293	13,837	128,456
	$ 785,817	$ 80,122	$ 705,695

6. PENSION CONTRIBUTIONS

The GTTA provides pension benefits for substantially all of its permanent employees through participation in the OMERS Pension Fund. The amount expensed in pension contributions for the year ended March 31, 2008 was $38,223.

7. RELATED PARTY TRANSACTIONS

The GTTA had the following transactions with related parties during the year:

a) Greater Toronto Transit Authority (GO Transit) charged GTTA $985,293 during the year, which included $279,181 for the purchase of capital assets and $556,112 for the purchase of services on behalf of GTTA and $150,000 for the provision of services by GO Transit. At March 31, 2008, payables and accruals included $290,829 owing to GO Transit. GO Transit is a crown corporation reporting to the Minister of Transportation, and is related to the GTTA by virtue of their respective relationships with the Minister of Transportation.

b) Grants in the amount of $11,354,518 were received or receivable from the Ministry of Transportation. In addition, capital assets in the amount of $123,686 and operating expenses of $1,604,286 were paid on behalf of the GTTA by the Ministry of Transportation. At March 31, 2008, payables and accruals included $1,727,972 owing to the Ministry of Transportation.

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. DEFERRED CAPITAL CONTRIBUTIONS

Contributions received for acquisition of capital assets	$ 785,817
Amortization of deferred capital contributions	(80,122)
	$ 705,695

9. COMMITMENTS

The GTTA has entered into agreements to obtain various consulting services and to lease office space until 2011. The lease of office space is a sublease from GO Transit.

Minimum payments in aggregate and for the next three years are as follows:

2009	$ 981,333
2010	225,612
2011	17,759
	$ 1,224,704

10. CONTINGENCY

The GTTA is in the process of applying to the Government of Canada to obtain an exemption from the liability for Goods and Services Tax (GST). In the interim the GTTA has recorded the GST incurred during the year ended March 31, 2008, of approximately $113,000 as operating expense. Pending approval and receipt of this exemption the GTTA would then make application for a rebate of the taxes previously paid. If approval is not received then no recoveries will be available.

Governance

The provincial legislation that created Metrolinx prescribes the organization's governance structure. The *Greater Toronto Transportation Authority Act, 2006*, stipulates that the board comprise 11 members, two of whom are appointed by the province, and the others recommended by regional and municipal councils in the Greater Toronto and Hamilton Area. In March 2007, the board members were appointed for terms of up to three years.

The Board typically holds monthly public meetings; dates, times and locations are posted on www.metrolinx.com. Agendas, minutes and supporting materials are also available online.

There are three Committees of the Board:

- Audit Committee
- Human Resources and Compensation Committee
- Governance Committee.

Left to right: Bill Fisch, Norm Kelly, Paul Bedford (seated), Gary Carr, Peter Smith, Rob MacIsaac, Fred Eisenberger, Hazel McCallion (seated), Adam Giambrone and David Miller. (Roger Anderson is not present.)

Board of Directors

Rob MacIsaac, Chair (ex officio: 1, 2, 3)
Chair, Metrolinx

Peter Smith, C.M., Vice-Chair (1, 2)
President and Co-owner, Andrin Limited
Chair, GO Transit

Roger Anderson (Durham) (3)
Chair, Region of Durham

Paul Bedford (Toronto) (3)
Adjunct Professor, Urban Planning
University of Toronto and Ryerson University

Gary Carr (Halton)
Regional Chair, Regional Municipality of Halton

Fred Eisenberger (Hamilton) (1,2)
Mayor, City of Hamilton

Bill Fisch (York) (3)
Chair and CEO, Regional Municipality of York

Adam Giambrone (Toronto) (3)
Chair, Toronto Transit Commission
Toronto Councillor, Davenport

Norm Kelly (Toronto) (1,2)
Chair, Planning and Growth Management Committee
Toronto Councillor, Scarborough Agincourt

Hazel McCallion (Peel) (3)
Mayor, City of Mississauga

David Miller (Toronto) (3)
Mayor, City of Toronto

Brian Ashton,
Toronto Councillor, Scarborough SouthWest
(served on the Board from March 2007 – August 2007)

Key:
[1] Member of Audit Committee
[2] Member of Human Resources and Compensation Committee
[3] Member of Governance Committee

Senior Management

Michael Lenn
Chief Executive Officer

Colleen Bell
General Manager, Community Relations and Initiatives

John Howe
General Manager, Investment Strategy and Projects

Kim Lambert
Executive Lead, Corporate Affairs

Mary Martin
General Counsel and Corporate Secretary

Vince Mauceri
General Manager, Transportation Operations and Technology

James O'Mara
Executive Lead, Environmental Planning and Policy

Leslie Woo
General Manager, Transportation Policy and Planning

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ENVIRONMENTAL INFORMATION

This Annual Report is printed on Canadian-made Rolland Enviro100 paper manufactured from 100 per cent post-consumer waste fibre, is Process Chlorine Free (PCF) and used BioGas in its production (an alternative "green energy" source produced from decomposing waste collected from landfill sites) to reduce greenhouse emissions and the depletion of the ozone layer. Rolland Enviro100 saves the harvesting of mature trees, reduces solid waste that would have gone into landfill sites, uses 80 per cent less water than conventional paper manufacturing and helps reduce air and water pollution.

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METROLINX
Metrolinx is an agency of the Government of Ontario